



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

October 27, 1999

CERTIFIED RETURN RECEIPT

P 074 976 776

Mr. Keith Moeller
Clifton Mining Company
70 West Canyon Crest Road, Suite D
Alpine, Utah 84004

Re: Posting of Interim Surety and Submittal of Large Mining Notice for Cactus Millsite, M/045/049,
Tooele County, Utah

Dear Mr. Moeller :

This letter is sent in reply to the questions raised in your September 22, 1999 letter to the Division. The interim surety amount for the Cactus Mill Site is \$27,000. This amount may need to be revised following our review and approval of the updated large mining plan for the site. The interim surety will be made payable to and held jointly by DOGM and BLM. We will provide you with the necessary bonding forms and reclamation contract (FORM MR-RC) once you let us know the type of surety you wish to file.

With regard to your surety release request, the Division can release a portion (\$7,100) of the surety amount currently held for the Clifton Exploration project, file number E/045/052. First Security bank has informed us that it will release \$7,100 from the existing \$17,600 Certificate of Deposit.

The Division will schedule an inspection within the next 30 to 45 days to survey the revegetation success for the Clifton Exploration site. The \$3,280 held to assure revegetation success of the patented land can be released if the revegetation standard has been achieved. Once the patented land disturbances are released, a balance of \$7,220 would remain to secure reclamation of the remaining exploration disturbance on federal lands.

It is not possible to directly apply the existing Clifton Exploration project surety to the Cactus Mill site. All of the disturbances associated with the Clifton Exploration site must be completely reclaimed and released by DOGM and the BLM.

We will grant Clifton Mining Company another 30 days (from your receipt of this letter) to post the required \$27,000 interim surety for the Cactus Mill site. We will contact First Security Bank authorizing the release of the \$7,100 from the existing \$17,600 reclamation surety. We will also notify you

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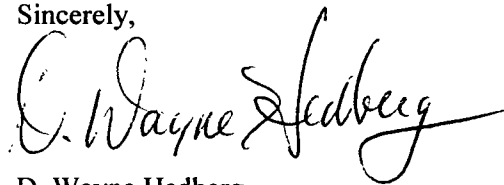
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Keith Moeller
Clifton Mining Company
October 27, 1999

within 30 to 45 days to schedule an inspection of the Clifton exploration project to determine the revegetation success.

We will also grant Clifton Mining Company another 45 days (from your receipt of this letter) to submit a complete and technically adequate Notice of Intention to Commence Large Mining Operations for the Cactus Millsite.

You are reminded that no further mining or milling activities may take place upon the Cactus Millsite until the interim surety is received and approved by the Division. Thank you for your cooperation and understanding in this regard. If there are any questions regarding this procedure please contact me at 538-5286 or Tom Munson at 538-5321.

Sincerely,

A handwritten signature in black ink, reading "D. Wayne Hedberg". The signature is fluid and cursive, with the first name "D." and last name "Hedberg" clearly legible.

D. Wayne Hedberg
Permit Supervisor
Minerals Reclamation Program

jb
Enclosure: Letter (10/17/97)
cc: Nicole Cline, Tooele County
Mike Ford, BLM, Salt Lake FO
Mary Ann Wright, DOGM
file E/045/052
o:m045049.ltr